

Factsheet: Cannabis legalization

Point-of-sale models

Lightly regulated

Highly regulated



1 - Online shipping



2 - Dispensary with consumption possibility



3 - Luxury goods specialty shop



4 - Cannabis Dispensary



5 - Pharmacy



6 - Operations of the State

Illicit market displacement high

Illicit market displacement low

Tax revenue high

Tax revenues low

Point of sale model 1 - Online shipping (also in addition to other model)



Online-Shipping

Target group	<ul style="list-style-type: none"> • Adult consumers from all social classes and every region of Germany • Consumers who value discretion and practicality
Concept	<ul style="list-style-type: none"> • Insured online shipping for nationwide availability • Specialist staff available online for questions and advice • Age verification at time of purchase and at drop-off point • Similar to the North American model
Presentation	Retailer's website access restricted to persons of legal age. Packaging in discreet shipping box with an age check on delivery
Illicit market	Most widespread displacement, as shipping infrastructure is available throughout Germany and meets convenience factor for consumers (e.g. last mile delivery, courier services)
Tax revenues	High revenues through high volume of sales
Pro	<ul style="list-style-type: none"> • High displacement of the Illicit market due to nationwide available shipping infrastructure • Wide range of products and inexpensive warehousing • Specialist staff can be reached online throughout Germany • Equality of cannabis as a stimulant compared to alcohol and tobacco products • Contactless delivery possible
Contra	<ul style="list-style-type: none"> • No on-site consultation • Problem that consumers must seek help themselves

Point-of-sale models

Point of sale model 2 - Sociable and supervised consumption



Dispensary with consumption possibility

Target group	<ul style="list-style-type: none"> • Adult users from all social classes • Sociable users who appreciate the cannabis culture
Concept	<ul style="list-style-type: none"> • Similar to the Dutch coffee shop model or (e.g. Spanish) cannabis social clubs. • Consumption possible within the dispensary • Supervision by specialised staff
Presentation	<ul style="list-style-type: none"> • Discreet design on the outside, inviting on the inside • Product branding allowed, but still with warnings
illicit market	Sufficient displacement if many dispensaries with consumption options open and shipping is allowed
Tax revenues	High revenues through high product sales
Pro	<ul style="list-style-type: none"> • Suppression of the illicit market through good service and a wide range of products. • Professional supervision of consumption ("safe space") • Less consumption in public spaces • Destigmatisation and equalisation of cannabis with other stimulants (e.g. consumption of alcohol in restaurants / bars)
Contra	<ul style="list-style-type: none"> • The social aspect could encourage consumption • May decrease availability in rural areas

Point of sale model 3 - Large-scale sales



Luxury good specialty shop

Target group	<ul style="list-style-type: none"> • Adult consumers of all social classes
Concept	<ul style="list-style-type: none"> • Sale in specialised luxury food shops, e.g. tobacco, e-cigarette or alcohol shops • Sale in lotto/toto shops as a combination model and shop-in-shop concepts are conceivable • Co-existence with cannabis shops is also possible
Presentation	<ul style="list-style-type: none"> • Same advertising regulations as alcohol or tobacco • Kept in secure storage or behind the counter (like tobacco or hard alcohol)
illicit market	<ul style="list-style-type: none"> • Very good displacement of the illicit market due to widespread availability • Infrastructure available throughout Germany
Tax revenues	High revenues through high volume of product sales
Pro	<ul style="list-style-type: none"> • High availability due to existing infrastructure, also in rural areas • (Probably) high product variety and good product advice • Health protection of consumers (compared to the illicit market) through quality-assured products and a transparent supply chain • High tax revenues and crowding out of the illicit market
Contra	<ul style="list-style-type: none"> • Profit maximisation is the focus of the operators • Addiction counselling and prevention more likely to be given by state counselling centres than at the point of sale • Could encourage consumption of several stimulants and games of chance

Point-of-sale models

Point of sale model 4 - Specialised and regulated



Cannabis-Dispensaries

Target group	<ul style="list-style-type: none"> • Adult consumers of all social classes
Concept	<ul style="list-style-type: none"> • Specialised cannabis shops with a wide range of products • Age verification upon entry • Trained staff and product advice • Operation in combination with local shipping possible
Präsentation	<ul style="list-style-type: none"> • Discreet design on the outside, inviting on the inside • Product branding allowed, but still with warnings
illicit market	Sufficient displacement if many dispensaries open and shipping is allowed
Tax revenues	High revenues through high product sales
Pro	<ul style="list-style-type: none"> • Suppression of the illicit market through good service and a wide range of products • Positive for public health with education and addiction counseling provided by trained staff on site
Contra	<ul style="list-style-type: none"> • Delayed access in rural regions • Success depends on product quality, tax rate and shipping options

Point of sale model 5 - Recreational cannabis from the dispensary

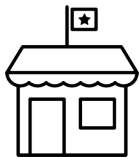


Pharmacy

Target group	<ul style="list-style-type: none"> • Older middle class • Consumers with therapeutic concerns
Concept	<ul style="list-style-type: none"> • Dispensing of recreational cannabis in pharmacies • Use of the pharmacy infrastructure that exists throughout Germany • Advice on addiction and contraindications
Presentation	Pharmacy design, white product packaging with warnings
illicit market	Insufficient displacement Potential "problem consumers" unlikely to switch from the illicit market
Tax revenues	Only achievable through high tax rate, not through high sales, in turn boosting the illicit market
Pro	<ul style="list-style-type: none"> • Infrastructure of pharmacies available throughout Germany • Qualified advice from pharmacists
Contra	<ul style="list-style-type: none"> • High price due to pharmacy surcharge and tax rate • illicit market insufficiently suppressed • Dispensing of stimulants in pharmacies unusual • No admission control for minors • Not every pharmacy will include cannabis in its assortment and offer a diverse range of products

Point-of-sale models

Point of sale model 6 - The state as producer and trader



Operations of the State

Target group	<ul style="list-style-type: none"> • Older middle class • Adult persons with financial flexibility
Concept	<ul style="list-style-type: none"> • Cultivation and operation by state agencies to separate cannabis dispensing from sales revenue interests
Presentation	White product packaging with warnings
illicit market	Almost no displacement as only a small target group is addressed, little product variety and high tax rate
Tax revenues	Hardly any income, due to very few product sales, which can only be compensated for by high tax rate
Pro	<ul style="list-style-type: none"> • Focus on addiction counselling, prevention and youth protection • Centralised production and distribution from a single source
Contra	<ul style="list-style-type: none"> • Little understanding for cannabis culture and cannabis users • Hardly any displacement of the illicit market due to the high tax rate • No attractive dispensary to divert consumers from the illicit market